

Indonesia Sustainable Development News Digest

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The Indonesia Sustainable Development News Digest is a biweekly collection of summaries of articles related to conservation, the environment, and sustainability in Indonesia that have appeared in print or online in local, regional, and global Englishlanguage media. We welcome comments, suggestions, and corrections. To learn more about us and to access previous editions of the News Digest, please visit our website at www.starlingresources.com. If you would like to add colleagues or friends to our distribution list or unsubscribe, please contact us at newsdigest@starlingresources.com.

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A. Marine and Fisheries

Pacific alliance adopts moratorium on deep-sea mining, halting resurgent PNG project —John Cannon, *Mongabay*, 6 September 2023

A group of Pacific island nations has imposed a ban on deep-sea mining within their territorial waters, putting a halt to a controversial project in Papua New Guinea (PNG) that aimed to be the first in the world to mine the ocean floor. The Melanesian Spearhead Group, comprising Fiji, PNG, the Solomon Islands, Vanuatu and an alliance of pro-independence parties from New Caledonia, signed the moratorium on August 24, 2023, as part of a declaration on climate change. The group said more research is needed to assess the environmental and social impacts of extracting minerals from the deep sea, where ecosystems and fisheries

could be harmed. The moratorium effectively blocks the return of Nautilus Minerals, a Canadian company that had secured a license in 2011 to mine gold and copper from seafloor massive sulfide deposits around hydrothermal vents in the Bismarck Sea. The company had faced opposition from local communities, environmental groups and scientists, who warned of irreversible damage to marine life and livelihoods. Supporters of deep-sea mining argue that the minerals are essential for the production of batteries for electric vehicles and the transition away from fossil fuels. However, the Pacific alliance said it would prioritize the protection of its ocean resources and the rights of its people.

<u>Largest-ever Seafood Expo Asia hosting first Seafood Excellence Asia Awards and</u> focused conference program

—Chris Chase, SeafoodSource, 5 September 2023

Seafood Expo Asia, the trade show for seafood buyers and suppliers in the Asian market, will host its 11th and largest edition in Singapore from September 11 to 13, 2023. The event, organized by Diversified Communications, will feature more than 283 exhibiting companies from 37 countries, including new pavilions from Australia, China, Japan, the Netherlands, Norway, Poland and Korea. The expo will also offer a comprehensive conference program with sessions on topics such as innovative seafood trends, Al and seafood processing, seafood sustainability, aquaculture and seafood consumption trends. Additionally, the expo will launch the Seafood Excellence Asia awards to recognize the best innovative products at the show, and host a Seafood Party networking event. The expo aims to provide a platform for seafood suppliers and buyers to connect and conduct business through its Key Buyer program, which targets top-level buyers with volume seafood purchasing responsibility in various sectors. Seafood Expo Asia is expected to attract thousands of attendees from across Asia and beyond.

Hope, but no free pass, as Pacific corals show tolerance to warming oceans —Elizabeth Claire Alberts, *Mongabay*, 30 August 2023

A study reveals that coral reefs in Palau are becoming more tolerant to thermal stress due to climate change. Researchers found that Palau's coral reefs suffered less bleaching in successive marine heat waves in 1998, 2010, and 2017. The study suggests that Palau's coral reefs have increased their thermal tolerance by 0.1°C per decade since the late 1980s. However, it's uncertain whether this rising tolerance will keep pace with ocean warming. Possible explanations include a shift towards hardier coral species, genetic adaptation favoring heat-resistant genes, and acclimatization of corals and their symbiotic algae to thermal stress. While the findings offer hope for coral reefs, reducing carbon emissions remains crucial to their survival. Marine heat waves caused by climate change continue to affect oceans worldwide, threatening coral ecosystems. 128

Report: Lachs, L., Donner, S.D., Mumby, P.J. *et al.* Emergent increase in coral thermal tolerance reduces mass bleaching under climate change. *Nat Commun* 14, 4939 (2023). https://doi.org/10.1038/s41467-023-40601-6

B. Forests and Land Use

Palm oil giants Indonesia, Malaysia start talks with EU over deforestation rule

—Hans Nicholas Jong, *Mongabay*, 1 September 2023

Indonesia and Malaysia, the world's top two palm oil producers, are in talks with the European Union (EU) to address differences over the EU Deforestation-Free Regulation (EUDR), which could make it harder for palm oil to enter European markets. Indonesia and Malaysia, which account for about 85% of global palm oil exports, have criticized the EUDR as discriminatory and too strict for producers, especially small farmers who manage 41% of total plantation area in the country, to comply with. The EUDR prohibits imports into the EU of commodities sourced by clearing forests and requires buyers to trace palm oil back to the farm where it was grown. The newly formed joint task force aims to resolve these issues, including risk classification and the role of sustainability certification schemes like the Roundtable on Sustainable Palm Oil (RSPO) and Indonesia's own ISPO.

C. Biodiversity, Conservation, and Protected Area

Coasts and sea life facing major threat due to massive sand removal

—UNNews, 5 September 2023

The UN has launched a new data platform, Marine Sand Watch, that reveals the massive scale and impact of sand extraction from the world's oceans. The platform uses artificial intelligence and automatic signals from ships to track and monitor the dredging of sand and sediment, which are essential for construction but also pose a major threat to marine biodiversity and coastal communities. According to the platform, the marine dredging industry is extracting about six billion tons of sand and sediment annually, which is close to the natural replenishment rate of 10 to 16 billion tons per year. This could lead to severe consequences for biodiversity and the climate, as sand extraction contributes to greenhouse gas emissions and reduces the ability of coastal ecosystems to adapt to rising sea levels and storms. The platform also aims to raise awareness of environmental issues among the public and policymakers, and to influence the political agenda for the next generation.

D. Climate Change, Energy, and Mining

Indonesian voters want a clean energy plan, but candidates haven't delivered

—Basten Gokken, *Mongabay*, 6 September 2023

Indonesian voters, especially the young ones, want the presidential candidates for the 2024 election to present clear plans for shifting the country from fossil fuels to clean energy, according to a survey by CELIOS and UniTrend. However, none of the three candidates who have declared their intentions so far have addressed this issue, despite Indonesia being a major greenhouse gas emitter and coal exporter. The survey also shows that most respondents want the government to declare a climate emergency and take urgent actions to reduce the impacts of climate change. Indonesia has pledged to achieve net-zero emissions by 2060 and retire its coal plants, but it continues to build more coal facilities to support its metal-processing sector. The survey aims to raise awareness of environmental issues among the candidates and the voters, as well as to influence the political agenda for the next generation.

Competing for Carbon Exchange in Indonesia

—Aisha Shaidra, *Tempo*, 4 September 2023

Indonesia is set to launch its first carbon exchange this month, a market where carbon units from various sectors can be traded. The carbon exchange could bring huge revenues for the

country, which has the world's third-largest tropical forest area with the capacity to store 25 billion tons of carbon. The Indonesia Stock Exchange (IDX) and the Indonesia Climate Exchange (ICX) are competing to be appointed by the Financial Services Authority (OJK) as the administrator for the carbon exchange. Both have met the requirements set by OJK, but have different backgrounds and experiences. The IDX has expertise in green bonds and green *sukuk* (Islamic bonds), while the ICX is a subsidiary of a commodity and derivatives exchange group and has just recently launched its first Renewable Energy Certificate (REC) trade, focusing on carbon emission trading in the geothermal and micro-hydro power plant sectors. The OJK will decide which entity will be the administrator of the carbon exchange, which is expected to start with the power plant sector as the first target. If commenced this month as planned, Indonesia will become the first Southeast Asian country to have a market for trading carbon units.

Captive coal-fired power plants hinder Indonesia energy transition deal

—Hans Nicholas Jong, *Mongabay*, 29 August 2023

Indonesia's \$20 billion climate financing deal with a group of industrialized nations, led by the U.S. and Japan, has been delayed due to captive coal-fired power plants. The Just Energy Transition Partnership (JETP) deal aimed to help Indonesia transition to renewable energy and reduce emissions. However, emissions from captive coal plants in the pipeline were not included in the investment plan, causing a delay. The baseline emissions increased significantly when factoring in these plants, making it harder for Indonesia to meet its 2030 emission reduction target. Indonesia is one of the world's largest consumers of coal, and coal plants are being built to support industries like nickel and aluminum processing. The delay highlights the challenges of transitioning away from coal in countries with energy-intensive industries.

Industrial policy wrong way to secure critical minerals

-Mari Pangestu, AsiaTimes, 28 August 2023

The demand for transition-critical minerals and rare earths essential for low-carbon technologies is expected to increase sevenfold between 2021 and 2040 to achieve net-zero carbon emissions. Currently, developed countries like the United States and the European Union heavily rely on imports for these minerals, with China being a dominant supplier. To reduce dependency on concentrated supplies and secure access to these minerals, industrial policies like reshoring production and creating supply chains with allies have been introduced. However, these policies face challenges, including uncertainties due to increased demand, geopolitical factors, and environmental concerns. The article suggests that a better approach is to diversify investments in resource-rich developing countries, expanding and diversifying supply sources. This approach would reduce reliance on a few countries and firms. Complementary policies such as infrastructure development, access to clean energy, and human capital development would be necessary to ensure downstreaming leads to value-added industrial development.

E. Pollution and Waste

Air Pollution is Also Caused by Coal-Fired Power Plants

—Tempo, 4 September 2023

An interview with Transportation Minister Budi Karya Sumadi on the issue of air pollution in Indonesia, particularly in Jakarta, discussed the causes and effects of air pollution, as well as the government's efforts to reduce it. According to the minister, the main sources of air

pollution are motor vehicles, industrial activities, and forest fires. To tackle air pollution, the government is taking various measures such as improving public transportation, promoting low-emission vehicles, enforcing emission standards and testing, and the construction of fast train projects, such as the Jakarta-Bandung and the Jakarta-Surabaya lines, that aim to reduce traffic congestion and carbon emissions. In alignment with the nation's vision to make Indonesia a leader in electric vehicles by 2035, the government is developing a comprehensive policy framework that covers aspects such as incentives, infrastructure, standards, and research and development. He hopes that electric vehicles will not only reduce air pollution, but also create new opportunities for innovation and industry.

F. Investment and Finance

Experts see red over Indonesia's planned green investment label for coal plants

—Hans Nicholas Jong, Mongabay, 6 September 2023

Indonesia's financial regulator, the OJK, is revising its Green Taxonomy, a framework that defines which investments are environment-friendly and eligible for incentives. One of the proposed changes is to give a green label to new coal-fired power plants that serve the metal-processing industry, which produces materials for batteries and electric vehicles. The OJK argues that these coal plants are part of the energy transition and should be considered as green as renewable energy projects. However, energy and finance experts disagree, saying that this goes against scientific evidence and will undermine Indonesia's credibility in the global green finance market. They warn that coal plants are highly polluting and incompatible with the Paris Agreement goals, and that labeling them as green will encourage more investments in fossil fuels instead of clean energy. They also say that banks and institutions that fund these projects risk reputational damage and stranded assets.

Indonesia climate deal in \$20bn gridlock as Vietnam, India on hold

—Sayumi Take and Erwida Maulia, *NikkeiAsia*, 5 September 2023

A \$20 billion climate deal that was supposed to help Indonesia switch from coal to low-carbon technologies is facing delays and challenges. The deal, funded by G7+ investors, was announced in November 2022 as a breakthrough model for climate finance. However, nine months later, none of the pledged money has been spent on closing down fossil fuel projects, and the project is still stuck in meetings on operational details. The same problem plagues other emerging countries, such as Vietnam and India, that need climate finance from developed countries to reduce their emissions and meet the Paris Agreement goals. Various factors, such as political risks, regulatory uncertainties, technical complexities, bureaucratic hurdles, and geopolitical tensions, hamper the progress of climate finance. The issue of climate finance in the Asia-Pacific region is urgent as it accounts for about half of global carbon emissions. Climate finance will be high on the agenda as G20 leaders prepare to meet again in India this month. Without effective and timely action, the world will fail to achieve the Paris Agreement goals and face catastrophic consequences.

G. Human Rights and Gender Equality

Indonesia awards biggest Indigenous forest claim yet to Bornean Dayaks

—Hans Nicholas Jong, *Mongabay*, 5 September 2023

The Indonesian government has officially recognized the ancestral rights of 15 Indigenous Dayak communities to nearly 70,000 hectares of forests on Borneo. This is the largest cluster of customary forests ever recognized by the state. The recognition, which took place on Aug. 8, 2023, was part of President Joko Widodo's social forestry program, which aims to reallocate 12.7 million hectares of state forests to local communities. The program also grants formal recognition of customary forests to Indigenous groups, giving them full control over their forests for good. The process of obtaining customary rights was not easy for the Dayak communities of Gunung Mas district, Central Kalimantan province. They had been fighting for more than 11 years, facing challenges from the local government and bureaucracy, according to Indonesia's main Indigenous alliance, AMAN. The deputy environment minister, Alue Dohong, said he hoped the recognition would improve the livelihoods of the Dayak communities and motivate other regions to follow suit. He also said the recognition was a positive achievement to commemorate the International Day of the World's Indigenous Peoples on August 9th.

Hijab head-shaving at East Java school raises rights concerns

—Dio Suhenda, *TheJakartaPost*, 31 August 2023

A teacher at a junior high school in East Java has sparked outrage among human rights activists after they shaved the heads of 19 female students as punishment for not wearing the inner cap of the hijab. The incident, which took place at SMP 1 Sukodadi in Lamongan, was reported by local media on Aug. 31, 2023. The teacher, identified only by their initials EWP, allegedly cut off the students' hair because they were not wearing the ciput, a piece of cloth that covers the hair under the hijab. The teacher claimed that they were following the school's rules and Islamic teachings. However, activists and experts condemned the teacher's actions as a violation of the students' rights and dignity. They said that the teacher had no authority to impose such a harsh and humiliating punishment on the students, and that the school should have respected the students' choices and diversity. The National Commission on Violence Against Women (Komnas Perempuan) and the Indonesian Child Protection Commission (KPAI) urged the authorities to investigate the case and take legal action against the teacher. They also called for a revision of the school's regulations and a comprehensive education on human rights and gender equality.

I. International Relations

Indonesia hosts largest military drills with US, allies as South China Sea tension grows —The Jakarta Post, 2 September 2023

Indonesia is hosting its largest annual joint military drills with the United States, Australia and other countries amid rising tension in the South China Sea. The 2023 Super Garuda Shield, which started on Thursday, will last for two weeks in East Java and involve more than 6,000 troops from seven countries, including new participants France and the United Kingdom. The exercises aim to enhance the army capabilities and regional security and cooperation of the participating nations. The drills will include various activities such as academic exchanges, command-and-control simulation, amphibious exercise, airborne operations, airfield seizure exercise and a live-fire event. The multi-nation drills come at a time when the US and China are locked in a rivalry over Taiwan and the disputed South China Sea, where China claims nearly all of the strategic waterway. Indonesia is not a claimant, but has expressed concern over Beijing's expansive maritime claims that overlap with its exclusive economic zone (EEZ) around the Natuna Islands. Indonesia's Foreign Minister Retno LP Marsudi said that any territorial claims made by a country must be aligned with international law1. Indonesia's

stance on adherence to international law would continue to be a consistent feature of its foreign policy.

Asean leaders to meet in Jakarta for regional summit, amid tensions over new Chinese map

—Arlina Arshad, StraitsTimes, 4 September 2023

The leaders of the Association of Southeast Asian Nations (ASEAN) will convene in Jakarta from September 5 to 7, 2023, for the 43rd ASEAN Summit and related meetings. The summit, hosted by Indonesia as the rotating chair of ASEAN, will address various issues such as the Myanmar crisis, the development of green infrastructure and resilient supply chains, food security, and the digital economy. One of the main challenges facing the summit is the rising tension in the South China Sea, where China has recently issued a new national map that claims sovereignty over disputed areas within the exclusive economic zones of some ASEAN members. The map features a 10-dash line that extends China's claims beyond the previous nine-dash line that was rejected by an international tribunal in 2016. ASEAN and China are also expected to discuss the progress of the negotiations on the Code of Conduct (COC) in the South China Sea, a set of rules to prevent conflicts and maintain peace and stability in the region. The summit will also review the implementation of the five-point consensus on Myanmar, which was adopted in April 2021 and calls for dialogue, cessation of violence, humanitarian assistance, and mediation by an ASEAN special envoy.

II. Presidential Race

Indonesia's Anies Baswedan Picks Head of Islamic Party as Presidential Running Mate —Sebastian Strangio, *TheDiplomat*, 4 September 2023

Former Jakarta governor Anies Baswedan, a candidate in Indonesia's upcoming presidential election, has chosen Muhaimin Iskandar, the chairman of Indonesia's largest Islamic party, the National Awakening Party (PKB), as his running mate. This decision surprised many as Muhaimin's PKB was not part of the coalition that previously endorsed Anies as a candidate. Anies, currently polling in third place behind his rivals Ganjar Pranowo and Prabowo Subianto, is looking to build support among moderate Indonesian Muslims and distance himself from past associations with hardline elements. The move is seen as an attempt to appeal to the country's vast moderate Muslim population and showcase his commitment to religious and ethnic tolerance. This choice could potentially help him rebrand and strengthen his position for future elections, given his relatively young age of 54. The presidential election is scheduled for February 14, 2024, with candidates expected to formally register between October and November.

Agus says time 'to move on quickly' after Anies picks Muhaimin for VP

—Nur Janti, *TheJakartaPost*, 4 September 2023

Agus Harimurti Yudhoyono, the chairman of Indonesia's Democratic Party, has announced that the party will seek new alliances after he was not chosen as the running mate for opposition figurehead Anies Baswedan in the 2024 presidential election. The Democratic Party, which controls only 9.3 percent of seats in the national legislature, needs to form an electoral alliance to meet the presidential nomination threshold of 20 percent. While Agus did not specify potential partners, options include aligning with the ruling Indonesian Democratic Party of Struggle (PDI-P) and its candidate Ganjar Pranowo or joining the Gerindra Party-led Onward Indonesia Coalition with Prabowo Subianto as the aspiring candidate. Another option is forming a new alliance with the Prosperous Justice Party (PKS) and the United Development Party (PPP) to pair Agus with PPP politician Sandiaga Uno. Agus had

previously lobbied other parties for alliances, including discussions with the PDI-P, signaling reconciliation despite historical differences.

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